

SENATE BILL No. 421

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-1.1.

Synopsis: Property tax relief for disasters. Establishes qualifications and procedures for property tax relief for damage caused by a disaster. Repeals current provisions concerning disaster relief.

Effective: July 1, 2003.

Borst, Merritt

January 21, 2003, read first time and referred to Committee on Finance.

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First Regular Session 113th General Assembly (2003)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2002 Regular or Special Session of the General Assembly.

SENATE BILL No. 421

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

Be it enacted by the General Assembly of the State of Indiana:

- 1 SECTION 1. IC 6-1.1-1-5.5 IS ADDED TO THE INDIANA CODE
- 2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
- 3 1, 2003]: **Sec. 5.5. "Disaster" has the meaning set forth in**
- 4 **IC 10-4-1-3(3).**
- 5 SECTION 2. IC 6-1.1-4-11.5 IS ADDED TO THE INDIANA
- 6 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
- 7 [EFFECTIVE JULY 1, 2003]: **Sec. 11.5. (a) As used in this section:**
- 8 **(1) "department" refers to the department of local**
- 9 **government finance;**
- 10 **(2) "disaster date" means:**
- 11 **(A) the date on which a disaster occurs; or**
- 12 **(B) with respect to a disaster with a duration of more than**
- 13 **one (1) day, the last date of the duration of the disaster;**
- 14 **as determined by the department under subsection (c);**
- 15 **(3) "property" refers to:**
- 16 **(A) real property;**
- 17 **(B) personal property; or**



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(C) real property and personal property; and

(4) "tax due date" means the date on which taxes are due under:

(A) IC 6-1.1-22-9; and

(B) IC 6-1.1-37-10(b).

(b) A taxpayer that is liable for taxes on property assessable in a township may file a petition with the department for:

(1) a determination that a disaster has occurred that has resulted in the partial or total destruction of a substantial amount of property in the township; and

(2) a reduction of the taxes on the property under subsection (f).

A taxpayer must file a petition under this subsection not later than sixty (60) days after the disaster date.

(c) Immediately upon receipt of a petition under subsection (b), the department shall survey each area in which property is alleged to have been destroyed in the township. Immediately upon completion of the survey, the department shall determine:

(1) whether a disaster has occurred as described in subsection (b)(1); and

(2) if a disaster has occurred, the disaster date.

(d) If the department determines that a disaster has occurred as described in subsection (b)(1), the department shall forward:

(1) the determination; and

(2) each petition received by the department under subsection (b) with respect to the same disaster;

to the township assessor of the township for which the determination is made.

(e) Immediately upon receipt of the information under subsection (d), the township assessor shall examine the property for which each petition is filed and determine:

(1) whether the destruction of the property was caused by the disaster; and

(2) if the destruction of the property was caused by the disaster, the amount of destruction of the property expressed as a percentage.

(f) The township assessor shall immediately notify the county auditor of each percentage determined under subsection (e)(2). The county auditor shall reduce the taxes:

(1) for the tax installments determined under subsection (g) on property for which a percentage is determined under subsection (e)(2); and

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(2) in the amount of the product of:

(A) the tax installment determined without regard to this section; multiplied by

(B) the percentage determined under subsection (e)(2).

(g) If the disaster date is after the May tax due date of a year and on or before the November tax due date of the year, the tax reduction under subsection (f) applies to the taxes due on:

(1) that November tax due date; and

(2) the next succeeding May tax due date.

(h) If the disaster date is after the November tax due date of a year and on or before the May tax due date of the immediately following year, the tax reduction under subsection (f) applies to the taxes due on:

(1) that May tax due date; and

(2) the next succeeding November tax due date.

(i) The county auditor may make a tax reduction under this section by:

(1) an adjusted tax bill issued before the tax due date by coordination with the county treasurer; or

(2) a refund after the tax due date.

A taxpayer is not required to file a claim for a refund under this subsection. The county auditor shall make a refund under this section not later than thirty (30) days after receipt of notice from the township assessor under subsection (f).

SECTION 3. IC 6-1.1-18-3, AS AMENDED BY P.L.90-2002, SECTION 160, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 3. (a) Except as provided in subsection (b), the sum of all tax rates for all political subdivisions imposed on tangible property within a political subdivision may not exceed:

(1) forty-one and sixty-seven hundredths cents (\$0.4167) on each one hundred dollars (\$100) of assessed valuation in territory outside the corporate limits of a city or town; or

(2) sixty-six and sixty-seven hundredths cents (\$0.6667) on each one hundred dollars (\$100) of assessed valuation in territory inside the corporate limits of a city or town.

(b) The proper officers of a political subdivision shall fix tax rates which are sufficient to provide funds for the purposes itemized in this subsection. The portion of a tax rate fixed by a political subdivision shall not be considered in computing the tax rate limits prescribed in subsection (a) if that portion is to be used for one (1) of the following purposes:



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(1) To pay the principal or interest on a funding, refunding, or judgment funding obligation of the political subdivision.

(2) To pay the principal or interest on an outstanding obligation issued by the political subdivision if notice of the sale of the obligation was published before March 9, 1937.

(3) To pay the principal or interest upon:

(A) an obligation issued by the political subdivision to meet an emergency which results from a ~~flood, fire, pestilence, war, or any other major~~ disaster; or

(B) a note issued under IC 36-2-6-18, IC 36-3-4-22, IC 36-4-6-20, or IC 36-5-2-11 to enable a city, town, or county to acquire necessary equipment or facilities for municipal or county government.

(4) To pay the principal or interest upon an obligation issued in the manner provided in IC 6-1.1-20-3 (before its repeal) or IC 6-1.1-20-3.1 through IC 6-1.1-20-3.2.

(5) To pay a judgment rendered against the political subdivision.

(6) To meet the requirements of the family and children's fund for child services (as defined in IC 12-19-7-1).

(7) To meet the requirements of the county hospital care for the indigent fund.

(c) Except as otherwise provided in IC 6-1.1-19 or IC 6-1.1-18.5, a county board of tax adjustment, a county auditor, or the department of local government finance may review the portion of a tax rate described in subsection (b) only to determine if it exceeds the portion actually needed to provide for one (1) of the purposes itemized in that subsection.

SECTION 4. IC 6-1.1-4-11 IS REPEALED [EFFECTIVE JULY 1, 2003].

SECTION 5. [EFFECTIVE JULY 1, 2003] (a) **IC 6-1.1-5.5 and IC 6-1.1-4-11.5, both as added by this act, and IC 6-1.1-18-3, as amended by this act, apply only to property taxes first due and payable after December 31, 2003.**

(b) **IC 6-1.1-4-11, repealed by this act, applies only to property taxes first due and payable before January 1, 2004.**

(c) **This SECTION expires January 1, 2005.**

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